



AN ELECTRONIC NEWSLETTER TO THE 41ST ASSEMBLY DISTRICT  
(Including Agoura, Agoura Hills, Calabasas, Encino, Hidden Hills, Lake Sherwood, Malibu, Oak Park, Pacific Palisades, Port Hueneme, South Oxnard, Santa Monica, Tarzana, Topanga, Westlake Village and Woodland Hills)

***JUNE 2008***

## **Governor Releases May Budget Revisions. Parks Win, but Education Still Takes Huge Hit.**

With the April 15 income tax filing deadline past and the state now having a better sense of actual revenues for 2008-09, on May 14 the Governor released his revised state budget proposal based on a worsened projected shortfall of \$17.2 billion, up \$7.5 billion from January.

### **The \$17.2 billion gap reflects:**

- the \$7.5 billion shortfall remaining from January;
- a \$7.7 billion increase to the shortfall consisting of revenue projections being revised downward by \$6 billion;
- a \$2 billion proposed reserve.

### **How does the Governor propose to close the gap?**

- \$4.3 billion in cuts to education. While he has backed off his earlier proposal to suspend the 1988 voter-passed Proposition 98 minimum funding guarantee to schools, because of declining revenues he still asks K-12 education and community colleges to take this historic hit.
- \$3.7 billion in other cuts.
- \$828 million of gasoline sales tax diverted from transportation projects to General Fund.
- \$627 million in major new cuts to health and human services, including cutting In-Home Social Services and provider pay.
- \$5.1 billion in borrowing by "securitizing" (borrowing against) hoped-for increases in state lottery payments.
- \$2 billion in accounting changes.
- \$1 billion in various other one-time revenues.
- He did withdraw his very unpopular proposals to close 48 state parks and for early release of 22,000 prisoners.

### **Excerpts from the Legislative Analyst Office (LAO) May 19 Overview:**

California's highly-respected nonpartisan Legislative Analyst, Elizabeth Hill, has released her analysis of the Governor's revised budget. Her candid assessment is always helpful to the Legislature as the Assembly and Senate budget subcommittees are now meeting to do the line-item review and craft a final budget to be presented to the Governor.

## **LAO says the state of our economy compared to January is "bleak."**

*"A declining economic outlook, sagging revenues, and rising costs have created bleak prospects for the state's 2008-09 budget. In January, the Governor identified a gap of \$14.5 billion between revenues and expenditures.... Since that time, there have been a number of key developments, including 1) a further deterioration of the economic and revenue outlook for 2008-09 (\$6 billion), and 2) rising state expenditures in a number of state programs (\$1.7 billion.) The net effect of these developments is that, compared to the Governor's January proposal, the administration view of the state's budget outlook – absent any action – has worsened to a total of \$22 billion."*

### **Revenue forecasts are down.**

*"**Sales and use taxes** are reduced by \$2.4 billion for the current and budget years combined. This is primarily due to the weak economy, reflecting the negative effect of the soft housing markets on taxable sales."*

*"**Corporation taxes** decline by \$1.4 billion for the two years combined. This reduction mainly reflects the weakness in cash receipts and corporate profits."*

*"**Personal income taxes** fall \$1.3 billion over the two years. Collections are up in 2007-08 by \$1.4 billion due to higher payments made in April 2008. This increase is offset by a \$2.7 billion reduction in payments in the budget year caused in part by a significant estimated reduction in capital gains in 2008-09."*

The LAO expressed particular concern about the Governor's proposal to raise \$15 billion over the next three years by seeking voter approval to sell a portion of future lottery sales to investors gambling on increased lottery revenues in exchange for a series of up-front payments. This would mean, however, that payments to education from the lottery would be subordinated to the obligation to bondholders, putting them first in line ahead of schools. Payments to education would never exceed \$1.2 billion, roughly the current amount. However, if lottery sales and profits did not grow as much as the Governor projects, *"bondholders would continue to receive payments, but public education would experience a drop in lottery payments."*

The Governor's revised budget continues to be a complicated set of proposals built on risky assumptions, on what the LAO describes as "overly optimistic estimates about the potential growth in lottery sales and profits... and [the] administration's overly complicated proposed budget reforms," while still not offering a long-term solution to the state's structural budget problems.

Children and many of the most vulnerable people in California will bear a disproportionate burden under the Governor's scheme. It's going to be a long and difficult summer as we tackle this grim budget. Stay tuned. *[The entire LAO Overview can be accessed at [www.lao.ca.gov](http://www.lao.ca.gov).]*

## Three bills of interest:

### **AB 2733 – Will require disclosure of environmental hazards to neighboring homebuyers**

One of the most shocking examples of environmentally reckless behavior that I've ever come across followed my election to the State Assembly in 2006 and immediate involvement with the Santa Susana Field Laboratory cleanup in Chatsworth, formerly owned and operated by Rocketdyne as a rocket engine testing site.

The toxic stew of chemicals that was dumped on this site over the decades, coupled with the stunning mishandling of radioactive waste, and even a partial nuclear meltdown, left this site seriously contaminated. In addition to high cancer rates among Rocketdyne workers, the reports of unusual and high levels of cancer in the neighborhoods around the site have been alarming. Operating under the Cold War mentality, the activities on site were kept secret, yet rains washed the contaminants off site and winds blew the airborne toxins far away. And the neighbors had no idea, except that too many of them were getting sick.

This must never happen again, which is why I have authored AB 2733. Existing law requires that certain natural hazards be disclosed to buyers of residential property. These include conditions such as being located in a potential flood zone or a severe fire hazard zone or within a delineated earthquake fault zone. AB 2733 adds disclosure of any environmental hazard site that is located within ¼ mile of the property. These sites are defined as anything listed in the Superfund; a site listed by the EPA for cleanup; or a site under investigation for spills, leaks or cleanup in the database of the California Water Resources Control Board.

If you belong to a group or organization that will support this important disclosure bill, please e-mail my District Director at [louise.rishoff@asm.ca.gov](mailto:louise.rishoff@asm.ca.gov). Thank you.

### **AB 2058 – Discourages throw-away plastic bag use**

Every year **19 billion** disposal plastic bags are used at grocery stores and retail establishments, just in California alone. These bags break down into smaller pieces, but



Source: <http://www.plastics.lacity.org>

they do not biodegrade. Blown from landfills and trash bins into the streets, and ultimately into the watershed to the ocean, they are a mounting threat to marine life that becomes entangled and/or mistakes the plastic for food and dies. One recent study found that the mass of plastic in the ocean off Long Beach is twice the mass of plankton.

I am proud to be a joint author of AB 2058. Effective July 1, 2011, this bill would prohibit retail stores from dispensing one-time-use bags to their customers unless they demonstrate that they have reduced and recycled at least 70% of bags by the end of 2010. If a store fails to meet

this 70% benchmark, AB 2058 will require retailers to charge customers 25¢ for each one-time-use bag. The hope is that this charge will act as an incentive for people to buy the sturdy reusable bags that are widely available at most markets and elsewhere for around \$1. This bill has passed out of the Assembly and is now in the Senate for action.



## **AB 2505 – Bans toxic “poison plastic” packaging**

On April 15<sup>th</sup> I unveiled my bill, AB 2505, a ban on toxic plastic packaging.

PVC packaging includes those “clam shell” packages that many retail products come in that are so frustrating to try and open. But not only is this packaging a challenge to open, PVC has been described as one of the most hazardous consumer products ever created – a threat to environmental health from production to its disposal. When produced in the factory or burned, it releases dioxins that can cause cancer and harm the immune and reproductive system. When heated in a building fire, firefighters and occupants breathe in the release of hydrogen chloride gas. And it cannot be effectively recycled because of the many toxic substances that contaminate the other recyclables, or groundwater if tossed into trash that is taken to landfills.

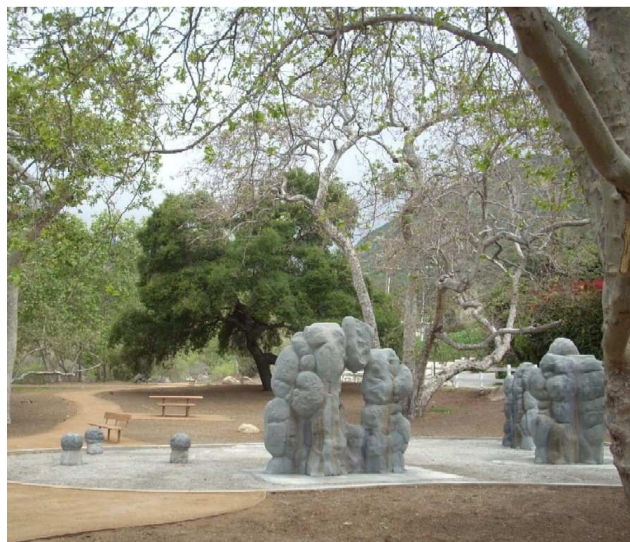
AB 2505 is intended to help get this poison plastic off the market entirely, especially given that safer alternatives are readily accessible. This bill starts by banning PVC packaging, effective January 1, 2010.

You can see a short video about “poison plastic” on my homepage. Just click on <http://democrats.assembly.ca.gov/members/a41/>.>

## **Around the District:**

### **Las Flores Creek Park restoration ribbon cutting**

Malibu recently completed a project to restore Las Flores Creek to a more natural condition, which will also improve its functioning for flood control purposes during heavy storms. Concrete and hard embankments were removed and replaced with biotechnical stabilization and re-contouring. At the same time, the city improved the adjacent creek bank with native vegetation, childrens’ play equipment, and sitting areas and interpretive signage related to the riparian environment, creating a small park. Congratulations to Malibu on a nice project.





## Las Virgenes Homeowners Federation Annual Banquet

The Federation is a coalition of homeowner associations in and around the Santa Monica Mountains dedicated to keeping growth in check and to preserving the rural character of the area. At every annual banquet the Federation president names a person who has made a special contribution to the community as his/her "Citizen of the Year." This year it was Steve Harris, who just retired as Executive Director of the Mountains Restoration Trust (MRT).

Steve was a founding member of the MRT in 1981, which was formed as a land trust that could offer a tax deduction to property owners who sold their land as public open space, thus providing a very useful incentive. Steve became Executive Director in 1999, and during his tenure with the MRT, they have acquired and protected more than 5,000 acres (125 parcels) with a market value of \$70 million. His leadership was invaluable, and I was proud to join in honoring Steve for so many years of dedicated service and his great legacy.



## Earth Day at Malibu Creek State Park

I was pleased to be invited to give some welcoming remarks on Saturday morning, April 19, to hundreds of volunteers gathered to kick off Earth Day Week at Malibu Creek State Park. Volunteers of all ages were gathered at state parks up and down California to help with cleanup and other stewardship projects that are so important to keeping our state parks beautiful.



The California State Parks Foundation began its Earth Day Restoration and Cleanup program in 1998, with an amazing impact. In those ten short years, 60,000 participants have contributed an estimated 250,000 volunteer hours. In these days of severe budget challenges, the volunteer hours have been worth more than

\$5 million in park maintenance and park improvements. It was a privilege to thank them and the State Parks Foundation on a lovely morning.



## Topanga State Park Docents

I also had the pleasure of speaking to the Topanga State Park Docents in April at their Annual Field Ecology Workshop campout. With deer gracing the meadow behind the campsite, I briefed them on California's budget situation, but also on my commitment to do whatever I could to protect our state parks from the closures that the Governor was then proposing, in favor of a more balanced and long-term approach to state budgeting.

## Topanga Elementary School Fights for Topanga State Park

I always enjoy it when children visit the State Capitol. In May, a group of sixth grade students from Topanga Elementary school came to lobby against the Governor's proposed closure of Topanga State Park.

They had collected an amazing 15-16,000 signatures on petitions to bolster their case. And they raised funds to pay for a delegation of 11 classmates to travel to Sacramento to speak face-to-face with legislators and the Governor.



As the Assemblymember who represents Topanga, I was honored to have the chance to meet personally with these wonderful young people, and duly impressed by everyone's maturity, forceful arguments, and depth of knowledge.

They most certainly helped to make a difference, and it was a pleasure to be able to inform them soon after their visit that the Governor had backed off from his very unpopular idea.



## Students Rally to Support Higher Ed Funding

On April 21<sup>st</sup>, I was proud to join thousands more students who marched on the State Capitol demanding that their educations be protected from the Governor's proposed 10% cuts to education funding.

Students from the CSU and UC systems were joined by community college students in mass solidarity. They protested being asked to shoulder increasingly higher costs for their education, and demonstrated loud and clear their belief that public education is a right for all, not a privilege for people of means.



I was inspired by their enthusiasm and determination that their voices be heard in Sacramento as critical decisions regarding their futures are being made.

## New "Californians and Their Government" Poll Out

The Public Policy Institute of California (PPIC) is a private nonprofit organization that does nonpartisan research on major issues of the day. In March, they released their statewide survey, "Californians and their Government," which had some interesting findings on how Californians view the state's current fiscal situation. Below is excerpted from PPIC's March 26 press release.

*"Pink slips for public school teachers and other reductions in services for vulnerable Californians are making state residents reconsider the wisdom of using spending cuts to balance the budget.... Californians are becoming increasingly gloomy about California's precarious fiscal condition and bleak economic outlook...."*

*"The upshot is that Californians are now apparently more willing to consider tax increases as part of a solution to the budget crisis. When asked how they would most prefer to deal with the state's budget gap, 42 percent of Californians choose a mix of spending cuts and tax increases, up from 36 percent in December. And fewer seem to view spending cuts alone as an option (down from 42% in December to 30% today). Democrats and Republicans remain wide apart on budget solutions – but they have edged closer. Most significantly, Republicans today are less likely than in December to support dealing with the budget gap mostly through spending cuts (down 61% in December to 50% today) and are more likely to support a mix of spending cuts and tax increases (up from 25% to 35%)."*

*"One thing all sides can agree on? Majorities of Democrats (66%), independents (67%), and Republicans (69%) believe major changes are needed in California's budget process.... Californians are rethinking their priorities, given what they've learned about spending cuts over the past couple of months. Beyond that, they are feeling financially squeezed as a result of the economic downturn. Any reduction in state services may only add to their sense of vulnerability."*

The entire survey can be accessed at [www.ppic.org](http://www.ppic.org).

# Ban on Hand-Held Cell Phones While Driving

Effective on July 1, 2008, California will begin a ban on all use of a hand-held cell phone while driving. Cell phones used while driving must be hands-free to be legal.

**For drivers under 18, there will be a complete ban on talking on a cell phone,** even if hands-free, except in emergency situations. This includes texting and laptops.

## **What about emergency situations?**

The law allows calls to law enforcement, the fire department, a medical provider, or other emergency services agency.

## **What are the penalties?**

The fine is \$25 for the first offense, and \$50 for subsequent convictions, but penalty assessments can more than triple the base fine.

## **Will there be a grace period?**

No, so it's essential that people know the law.

To learn more about the new law, go to [www.dmv.ca.gov/cellularphonelaws/index.htm](http://www.dmv.ca.gov/cellularphonelaws/index.htm).

## Expo Phase 2 – Community Meeting

The Expo Phase 2 team will present and update on the grade crossing determinations for both the Exposition Right-of-way and the Venice/Sepulveda alternatives, including various crossings.

Bring your questions, concerns and input to this important phase of the planning process.



**Monday, June 9, 2008**

**6:30PM to 8:30PM**

**Vista Del Mar Child and Family Service – Gymnasium  
3200 Motor Avenue, Los Angeles, CA 90034**

### **For more info:**

**Telephone (213) 922-3976**

**E-mail: [Phase2@exporail.net](mailto:Phase2@exporail.net)**

**Website: [www.buildexpo.org](http://www.buildexpo.org)**



## **Just to make it clear...**

### **Hybrids in the HOV lane stickers?**

My District Office has been hearing that some prospective buyers of low-emission hybrid vehicles are being told by the dealer or at a DMV office that the state will be issuing new decals allowing those "clean" cars to use the HOV (carpool) lanes. This is incorrect. The original decal program has a sunset provision, and I am not aware of any effort in the Legislature to extend the program, especially given that the goal of the carpool lanes is to encourage people to ride share, not to add single-passenger vehicles.

### **Which Prop. 98?**

A number of ballot measures were on the June 3 election ballot. Because the ballot measure numbering system resets every ten years, the same number is used on different measures over time. A constituent contacted me regarding a supportive statement I made in my March newsletter about Proposition 98, referring to the voter-passed measure from 1988 that protects vital school funding. Because there is a Proposition 98 on the June ballot with an entirely different subject matter, he suggested that I run an item to underscore that it was the school measure from 20 years ago which I was referencing, which I am pleased to do.

## ***Committee and Legislative Appointments***

**Chair, Assembly Budget Subcommittee #2 on Education  
Chair, Select Committee on Higher Education in the 21<sup>st</sup> Century**

**Aging and Long-Term Care  
Budget**

**Budget Subcommittee #3 on Resources  
Education**

**Natural Resources**

**Joint Legislative Budget Committee**

**Select Committee on Community Colleges**

**Select Committee on Domestic Violence**

**Select Committee on State School Financial Takeovers**

**Legislative Liaison, Santa Monica Bay Restoration Commission**

**Legislative Participant, Santa Monica Mountains Conservancy**

**California Commission on the Status of Women**

### **HOW TO REACH ME:**

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